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(Original Signature of Member)

107TH CONGRESS
1ST SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. HOUGHTON (for himself, Mr. OBERSTAR, [see attached list of cosponsors]) introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to allow a credit to holders of qualified bonds issued by Amtrak, to amend title 49, United States Code, to provide for approval by the Secretary of Transportation of projects to be funded by those bonds, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “High-Speed Rail Investment Act of 2001”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—CREDIT FOR AMTRAK BONDS

Sec. 101. Credit to holders of qualified Amtrak bonds.

TITLE II—HIGH-SPEED RAIL PROVISIONS

Sec. 201. Department of Transportation approval for qualified Amtrak projects.

Sec. 202. Multiyear capital spending plan and oversight.

Sec. 203. Issuance of regulations.

Sec. 204. Sense of Congress regarding effect on Amtrak funding.

Sec. 205. Effective date.

6 **TITLE I—CREDIT FOR AMTRAK**
7 **BONDS**

8 **SEC. 101. CREDIT TO HOLDERS OF QUALIFIED AMTRAK**
9 **BONDS.**

10 (a) IN GENERAL.—Part IV of subchapter A of chap-
11 ter 1 of the Internal Revenue Code of 1986 (relating to
12 credits against tax) is amended by adding at the end the
13 following new subpart:

14 **“Subpart H—Nonrefundable Credit for Holders of**
15 **Qualified Amtrak Bonds**

“Sec. 54. Credit to holders of qualified Amtrak bonds.

1 **“SEC. 54. CREDIT TO HOLDERS OF QUALIFIED AMTRAK**
2 **BONDS.**

3 “(a) ALLOWANCE OF CREDIT.—In the case of a tax-
4 payer who holds a qualified Amtrak bond on a credit al-
5 lowance date of such bond which occurs during the taxable
6 year, there shall be allowed as a credit against the tax
7 imposed by this chapter for such taxable year an amount
8 equal to the sum of the credits determined under sub-
9 section (b) with respect to credit allowance dates during
10 such year on which the taxpayer holds such bond.

11 “(b) AMOUNT OF CREDIT.—

12 “(1) IN GENERAL.—The amount of the credit
13 determined under this subsection with respect to any
14 credit allowance date for a qualified Amtrak bond is
15 25 percent of the annual credit determined with re-
16 spect to such bond.

17 “(2) ANNUAL CREDIT.—The annual credit de-
18 termined with respect to any qualified Amtrak bond
19 is the product of—

20 “(A) the applicable credit rate, multiplied
21 by

22 “(B) the outstanding face amount of the
23 bond.

24 “(3) APPLICABLE CREDIT RATE.—For purposes
25 of paragraph (2), the applicable credit rate with re-
26 spect to an issue is the rate equal to an average

1 market yield (as of the day before the date of sale
2 of the issue) on outstanding long-term corporate
3 debt obligations (determined under regulations pre-
4 scribed by the Secretary).

5 “(4) CREDIT ALLOWANCE DATE.—For purposes
6 of this section, the term ‘credit allowance date’
7 means—

8 “(A) March 15,

9 “(B) June 15,

10 “(C) September 15, and

11 “(D) December 15.

12 Such term includes the last day on which the bond
13 is outstanding.

14 “(5) SPECIAL RULE FOR ISSUANCE AND RE-
15 DEMPTION.—In the case of a bond which is issued
16 during the 3-month period ending on a credit allow-
17 ance date, the amount of the credit determined
18 under this subsection with respect to such credit al-
19 lowance date shall be a ratable portion of the credit
20 otherwise determined based on the portion of the 3-
21 month period during which the bond is outstanding.
22 A similar rule shall apply when the bond is re-
23 deemed.

24 “(c) LIMITATION BASED ON AMOUNT OF TAX.—

1 “(1) IN GENERAL.—The credit allowed under
2 subsection (a) for any taxable year shall not exceed
3 the excess of—

4 “(A) the sum of the regular tax liability
5 (as defined in section 26(b)) plus the tax im-
6 posed by section 55, over

7 “(B) the sum of the credits allowable
8 under this part (other than this subpart and
9 subpart C).

10 “(2) CARRYOVER OF UNUSED CREDIT.—If the
11 credit allowable under subsection (a) exceeds the
12 limitation imposed by paragraph (1) for such taxable
13 year, such excess shall be carried to the succeeding
14 taxable year and added to the credit allowable under
15 subsection (a) for such taxable year.

16 “(d) CREDIT INCLUDED IN GROSS INCOME.—Gross
17 income includes the amount of the credit allowed to the
18 taxpayer under this section (determined without regard to
19 subsection (c)) and the amount so included shall be treat-
20 ed as interest income.

21 “(e) QUALIFIED AMTRAK BOND.—For purposes of
22 this part, the term ‘qualified Amtrak bond’ means any
23 bond issued as part of an issue if—

24 “(1) 95 percent or more of the proceeds from
25 the sale of such issue are to be used for expenditures

1 incurred after the date of the enactment of this sec-
2 tion for any qualified project,

3 “(2) the bond is issued by the National Rail-
4 road Passenger Corporation, is in registered form,
5 and meets the bond limitation requirements under
6 subsection (f),

7 “(3) the issuer designates such bond for pur-
8 poses of this section,

9 “(4) the issuer certifies that it meets the State
10 contribution requirement of subsection (k) with re-
11 spect to such project, as in effect on the date of the
12 enactment of this section,

13 “(5) the issuer certifies that it has obtained the
14 written approval of the Secretary of Transportation
15 for such project in accordance with section 26301 of
16 title 49, United States Code, as in effect on the date
17 of the enactment of this section,

18 “(6) the term of each bond which is part of
19 such issue does not exceed 20 years,

20 “(7) the payment of principal with respect to
21 such bond is the obligation of the National Railroad
22 Passenger Corporation, and

23 “(8) the issue meets the requirements of sub-
24 section (g) (relating to arbitrage).

1 “(f) LIMITATIONS ON AMOUNT OF BONDS DES-
2 IGNATED.—

3 “(1) IN GENERAL.—There is a qualified Am-
4 trak bond limitation for each fiscal year. Such limi-
5 tation is—

6 “(A) \$1,200,000,000 for each of the fiscal
7 years 2002 through 2011, and

8 “(B) zero after fiscal year 2011.

9 “(2) LIMITS ON BONDS FOR NORTHEAST RAIL
10 CORRIDOR AND INDIVIDUAL STATES.—

11 “(A) NORTHEAST RAIL CORRIDOR.—Not
12 more than \$3,000,000,000 of the limitation
13 under paragraph (1) may be designated for
14 qualified projects on the northeast rail corridor
15 between Washington, D.C., and Boston, Massa-
16 chusetts.

17 “(B) INDIVIDUAL STATES.—Not more
18 than \$3,000,000,000 of the limitation under
19 paragraph (1) may be designated for any indi-
20 vidual State. The dollar limitation under this
21 subparagraph is in addition to the dollar limita-
22 tion for the qualified projects described in sub-
23 paragraph (A).

24 “(3) LIMIT ON BONDS FOR OTHER
25 PROJECTS.—Not more than \$100,000,000 of the

1 limitation under paragraph (1) for any fiscal year
2 may be designated for all qualified projects described
3 in subsection (j)(1)(C).

4 “(4) CARRYOVER OF UNUSED LIMITATION.—If
5 for any fiscal year—

6 “(A) the limitation amount under para-
7 graph (1), exceeds

8 “(B) the amount of bonds issued during
9 such year which are designated under sub-
10 section (e)(3),

11 the limitation amount under paragraph (1) for the
12 following fiscal year (through fiscal year 2015) shall
13 be increased by the amount of such excess.

14 “(g) SPECIAL RULES RELATING TO ARBITRAGE.—

15 “(1) IN GENERAL.—Subject to paragraph (2),
16 an issue shall be treated as meeting the require-
17 ments of this subsection if as of the date of
18 issuance, the issuer reasonably expects—

19 “(A) to spend at least 95 percent of the
20 proceeds from the sale of the issue for 1 or
21 more qualified projects within the 3-year period
22 beginning on such date,

23 “(B) to incur a binding commitment with
24 a third party to spend at least 10 percent of the
25 proceeds from the sale of the issue, or to com-

1 mence construction, with respect to such
2 projects within the 6-month period beginning on
3 such date, and

4 “(C) to proceed with due diligence to com-
5 plete such projects and to spend the proceeds
6 from the sale of the issue.

7 “(2) RULES REGARDING CONTINUING COMPLI-
8 ANCE AFTER 3-YEAR DETERMINATION.—If at least
9 95 percent of the proceeds from the sale of the issue
10 is not expended for 1 or more qualified projects
11 within the 3-year period beginning on the date of
12 issuance, but the requirements of paragraph (1) are
13 otherwise met, an issue shall be treated as con-
14 tinuing to meet the requirements of this subsection
15 if either—

16 “(A) the issuer uses all unspent proceeds
17 from the sale of the issue to redeem bonds of
18 the issue within 90 days after the end of such
19 3-year period, or

20 “(B) the following requirements are met:

21 “(i) The issuer spends at least 75 per-
22 cent of the proceeds from the sale of the
23 issue for 1 or more qualified projects with-
24 in the 3-year period beginning on the date
25 of issuance.

1 “(ii) Either—

2 “(I) the issuer spends at least 95
3 percent of the proceeds from the sale
4 of the issue for 1 or more qualified
5 projects within the 4-year period be-
6 ginning on the date of issuance, or

7 “(II) the issuer pays to the Fed-
8 eral Government any earnings on the
9 proceeds from the sale of the issue
10 that accrue after the end of the 3-year
11 period beginning on the date of
12 issuance and uses all unspent pro-
13 ceeds from the sale of the issue to re-
14 deem bonds of the issue within 90
15 days after the end of the 4-year pe-
16 riod beginning on the date of
17 issuance.

18 “(h) RECAPTURE OF PORTION OF CREDIT WHERE
19 CESSATION OF COMPLIANCE.—

20 “(1) IN GENERAL.—If any bond which when
21 issued purported to be a qualified Amtrak bond
22 ceases to be such a qualified bond, the issuer shall
23 pay to the United States (at the time required by
24 the Secretary) an amount equal to the sum of—

1 “(A) the aggregate of the credits allowable
2 under this section with respect to such bond
3 (determined without regard to subsection (c))
4 for taxable years ending during the calendar
5 year in which such cessation occurs and the 2
6 preceding calendar years, and

7 “(B) interest at the underpayment rate
8 under section 6621 on the amount determined
9 under subparagraph (A) for each calendar year
10 for the period beginning on the first day of
11 such calendar year.

12 “(2) FAILURE TO PAY.—If the issuer fails to
13 timely pay the amount required by paragraph (1)
14 with respect to such bond, the tax imposed by this
15 chapter on each holder of any such bond which is
16 part of such issue shall be increased (for the taxable
17 year of the holder in which such cessation occurs) by
18 the aggregate decrease in the credits allowed under
19 this section to such holder for taxable years begin-
20 ning in such 3 calendar years which would have re-
21 sulted solely from denying any credit under this sec-
22 tion with respect to such issue for such taxable
23 years.

24 “(3) SPECIAL RULES.—

1 “(A) TAX BENEFIT RULE.—The tax for
2 the taxable year shall be increased under para-
3 graph (2) only with respect to credits allowed
4 by reason of this section which were used to re-
5 duce tax liability. In the case of credits not so
6 used to reduce tax liability, the carryforwards
7 and carrybacks under section 39 shall be appro-
8 priately adjusted.

9 “(B) NO CREDITS AGAINST TAX.—Any in-
10 crease in tax under paragraph (2) shall not be
11 treated as a tax imposed by this chapter for
12 purposes of determining—

13 “(i) the amount of any credit allow-
14 able under this part, or

15 “(ii) the amount of the tax imposed
16 by section 55.

17 “(i) TRUST ACCOUNT.—

18 “(1) IN GENERAL.—The following amounts
19 shall be held in a trust account by a trustee inde-
20 pendent of the National Railroad Passenger Cor-
21 poration:

22 “(A) The proceeds from the sale of all
23 bonds designated for purposes of this section.

24 “(B) The amount of any matching con-
25 tributions with respect to such bonds.

1 “(C) The temporary period investment
2 earnings on proceeds from the sale of such
3 bonds.

4 “(D) Any earnings on any amounts de-
5 scribed in subparagraph (A), (B), or (C).

6 “(2) USE OF FUNDS.—Amounts in the trust ac-
7 count may be used only to pay costs of qualified
8 projects and redeem qualified Amtrak bonds, except
9 that amounts withdrawn from the trust account to
10 pay costs of qualified projects may not exceed the
11 aggregate proceeds from the sale of all qualified Am-
12 trak bonds issued under this section.

13 “(3) USE OF REMAINING FUNDS IN TRUST AC-
14 COUNT.—Upon the redemption of all qualified Am-
15 trak bonds issued under this section, any remaining
16 amounts in the trust account described in paragraph
17 (1) shall be available to the issuer for any qualified
18 project.

19 “(j) QUALIFIED PROJECT.—For purposes of this
20 section—

21 “(1) IN GENERAL.—The term ‘qualified project’
22 means—

23 “(A) the acquisition, financing, or refi-
24 nancing of equipment, rolling stock, and other
25 capital improvements (including the introduc-

1 tion of new high-speed technologies such as
2 magnetic levitation systems), including track or
3 signal improvements or the elimination of grade
4 crossings, for the northeast rail corridor be-
5 tween Washington, D.C., and Boston, Massa-
6 chusetts,

7 “(B) the acquisition, financing, or refi-
8 nancing of equipment, rolling stock, and other
9 capital improvements (including the introduc-
10 tion of new high-speed technologies such as
11 magnetic levitation systems), including develop-
12 ment of intermodal facilities, track or signal im-
13 provements, or the elimination of grade cross-
14 ings, for the improvement of train speeds or
15 safety (or both) on the high-speed rail corridors
16 designated under section 104(d)(2) of title 23,
17 United States Code, as in effect on the date of
18 the enactment of this section, and

19 “(C) the acquisition, financing, or refi-
20 nancing of equipment, rolling stock, and other
21 capital improvements, including station rehabili-
22 tation or construction, development of inter-
23 modal facilities, track or signal improvements,
24 or the elimination of grade crossings, for the
25 improvement of train speeds or safety (or both)

1 for other intercity passenger rail corridors and
2 for the Alaska Railroad.

3 “(2) REFINANCING RULES.—For purposes of
4 paragraph (1), a refinancing shall constitute a quali-
5 fied project only if the indebtedness being refinanced
6 (including any obligation directly or indirectly refi-
7 nanced by such indebtedness) was originally incurred
8 by the issuer—

9 “(A) after the date of the enactment of
10 this section,

11 “(B) for a term of not more than 3 years,

12 “(C) to finance or acquire capital improve-
13 ments described in paragraph (1), and

14 “(D) in anticipation of being refinanced
15 with proceeds of a qualified Amtrak bond.

16 “(k) STATE CONTRIBUTION REQUIREMENTS.—

17 “(1) IN GENERAL.—For purposes of subsection
18 (e)(4), the State contribution requirement of this
19 subsection is met with respect to any qualified
20 project if the National Railroad Passenger Corpora-
21 tion has received from 1 or more States, not later
22 than the date of issuance of the bond, matching con-
23 tributions of not less than 20 percent of the cost of
24 the qualified project.

1 “(2) NO STATE CONTRIBUTION REQUIREMENT
2 FOR CERTAIN QUALIFIED PROJECTS.—The State
3 contribution requirement of this subsection is zero
4 with respect to the following projects:

5 “(A) Any qualified project for the acqui-
6 sition and installation of platform facilities, per-
7 formance of railroad force account work nec-
8 essary to complete improvements below street
9 grade, and any other necessary improvements
10 related to construction at the railroad station at
11 the James A. Farley Post Office Building in
12 New York City, New York.

13 “(B) Any project described in subsection
14 (j)(1)(C) for the Alaska Railroad.

15 “(3) STATE MATCHING CONTRIBUTIONS MAY
16 NOT INCLUDE FEDERAL FUNDS.—For purposes of
17 this subsection, State matching contributions shall
18 not be derived, directly or indirectly, from Federal
19 funds, including any transfers from the Highway
20 Trust Fund under section 9503.

21 “(l) OTHER DEFINITIONS AND SPECIAL RULES.—
22 For purposes of this section—

23 “(1) BOND.—The term ‘bond’ includes any ob-
24 ligation.

1 “(2) TREATMENT OF CHANGES IN USE.—For
2 purposes of subsection (e)(1), the proceeds from the
3 sale of an issue shall not be treated as used for a
4 qualified project to the extent that the issuer takes
5 any action within its control which causes such pro-
6 ceeds not to be used for a qualified project. The Sec-
7 retary shall prescribe regulations specifying remedial
8 actions that may be taken (including conditions to
9 taking such remedial actions) to prevent an action
10 described in the preceding sentence from causing a
11 bond to fail to be a qualified Amtrak bond.

12 “(3) PARTNERSHIP; S CORPORATION; AND
13 OTHER PASS-THRU ENTITIES.—Under regulations
14 prescribed by the Secretary, in the case of a partner-
15 ship, trust, S corporation, or other pass-thru entity,
16 rules similar to the rules of section 41(g) shall apply
17 with respect to the credit allowable under subsection
18 (a).

19 “(4) BONDS HELD BY REGULATED INVEST-
20 MENT COMPANIES.—If any qualified Amtrak bond is
21 held by a regulated investment company, the credit
22 determined under subsection (a) shall be allowed to
23 shareholders of such company under procedures pre-
24 scribed by the Secretary.

1 “(5) REPORTING.—Issuers of qualified Amtrak
2 bonds shall submit reports similar to the reports re-
3 quired under section 149(e).”.

4 (b) AMENDMENTS TO OTHER CODE SECTIONS.—

5 (1) REPORTING.—Subsection (d) of section
6 6049 of the Internal Revenue Code of 1986 (relating
7 to returns regarding payments of interest) is amend-
8 ed by adding at the end the following new para-
9 graph:

10 “(8) REPORTING OF CREDIT ON QUALIFIED AM-
11 TRAK BONDS.—

12 “(A) IN GENERAL.—For purposes of sub-
13 section (a), the term ‘interest’ includes amounts
14 includible in gross income under section 54(d)
15 and such amounts shall be treated as paid on
16 the credit allowance date (as defined in section
17 54(b)(4)).

18 “(B) REPORTING TO CORPORATIONS,
19 ETC.—Except as otherwise provided in regula-
20 tions, in the case of any interest described in
21 subparagraph (A), subsection (b)(4) shall be
22 applied without regard to subparagraphs (A),
23 (H), (I), (J), (K), and (L)(i) of such subsection.

24 “(C) REGULATORY AUTHORITY.—The Sec-
25 retary may prescribe such regulations as are

1 necessary or appropriate to carry out the pur-
2 poses of this paragraph, including regulations
3 which require more frequent or more detailed
4 reporting.”.

5 (2) TREATMENT FOR ESTIMATED TAX PUR-
6 POSES.—

7 (A) INDIVIDUAL.—Section 6654 of such
8 Code (relating to failure by individual to pay es-
9 timated income tax) is amended by redesign-
10 nating subsection (m) as subsection (n) and by
11 inserting after subsection (l) the following new
12 subsection:

13 “(m) SPECIAL RULE FOR HOLDERS OF QUALIFIED
14 AMTRAK BONDS.—For purposes of this section, the credit
15 allowed by section 54 to a taxpayer by reason of holding
16 a qualified Amtrak bond on a credit allowance date shall
17 be treated as if it were a payment of estimated tax made
18 by the taxpayer on such date.”.

19 (B) CORPORATE.—Section 6655 of such
20 Code (relating to failure by corporation to pay
21 estimated income tax) is amended by adding at
22 the end of subsection (g) the following new
23 paragraph:

24 “(5) SPECIAL RULE FOR HOLDERS OF QUALI-
25 FIED AMTRAK BONDS.—For purposes of this section,

1 the credit allowed by section 54 to a taxpayer by
2 reason of holding a qualified Amtrak bond on a
3 credit allowance date shall be treated as if it were
4 a payment of estimated tax made by the taxpayer on
5 such date.”.

6 (3) EXCLUSION FROM GROSS INCOME OF CON-
7 TRIBUTIONS BY AMTRAK TO OTHER RAIL CAR-
8 RIERS.—

9 (A) IN GENERAL.—Section 118 of the In-
10 ternal Revenue Code of 1986 (relating to con-
11 tributions to the capital of a corporation) is
12 amended by redesignating subsection (d) as
13 subsection (e) and by inserting after subsection
14 (c) the following new subsection:

15 “(d) SPECIAL RULE FOR CONTRIBUTIONS BY AM-
16 TRAK TO OTHER RAIL CARRIERS.—For purposes of this
17 section, the term ‘contribution to the capital of the tax-
18 payer’ does not include any contribution by the National
19 Railroad Passenger Corporation of personal or real prop-
20 erty funded by the proceeds of qualified Amtrak bonds
21 under section 54.”.

22 (B) CONFORMING AMENDMENT.—Sub-
23 section (b) of such section 118 is amended by
24 striking “subsection (c)” and inserting “sub-
25 sections (c) and (d)”.

1 (4) PROTECTION OF HIGHWAY TRUST FUND.—

2 Section 9503 of such Code (relating to Highway
3 Trust Fund) is amended by adding at the end the
4 following new subsection:

5 “(g) SPECIAL RULE RELATING TO NATIONAL RAIL-
6 ROAD PASSENGER CORPORATION.—Except as provided in
7 subsection (c), as in effect on the date of the enactment
8 of this subsection, amounts in the Highway Trust Fund
9 may not be used to provide funds to the National Railroad
10 Passenger Corporation for any purpose, including issuance
11 of any qualified Amtrak bond pursuant to section 54. The
12 preceding sentence may not be waived by any provision
13 of law which is not contained or referenced in this title,
14 whether such provision of law is a subsequently enacted
15 provision or directly or indirectly seeks to waive the appli-
16 cation of such sentence.”.

17 (c) CLERICAL AMENDMENTS.—

18 (1) The table of subparts for part IV of sub-
19 chapter A of chapter 1 is amended by adding at the
20 end the following new item:

“Subpart H. Nonrefundable Credit for Holders of Qualified Am-
trak Bonds.”.

21 (2) Section 6401(b)(1) is amended by striking
22 “and G” and inserting “G, and H”.

23 (d) ANNUAL REPORT BY TREASURY ON AMTRAK
24 TRUST ACCOUNT.—The Secretary of the Treasury shall

1 annually report to Congress as to whether the amount de-
2 posited in the trust account established by the National
3 Railroad Passenger Corporation under section 54(i) of the
4 Internal Revenue Code of 1986, as added by this section,
5 is sufficient to fully repay at maturity the principal of any
6 outstanding qualified Amtrak bonds issued pursuant to
7 section 54 of such Code (as so added), together with
8 amounts expected to be deposited into such account, as
9 certified by the National Railroad Passenger Corporation
10 in accordance with procedures prescribed by the Secretary
11 of the Treasury.

12 (e) ISSUANCE OF REGULATIONS.—The Secretary of
13 the Treasury shall issue regulations required under section
14 54 of the Internal Revenue Code of 1986 (as added by
15 this section) not later than 90 days after the date of the
16 enactment of this Act.

17 (f) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to obligations issued after the date
19 of enactment of this Act.

1 **TITLE II—HIGH-SPEED RAIL**
2 **PROVISIONS**

3 **SEC. 201. DEPARTMENT OF TRANSPORTATION APPROVAL**
4 **FOR QUALIFIED AMTRAK PROJECTS.**

5 (a) AMENDMENT.—Part D of subtitle V of title 49,
6 United States Code, is amended by adding at the end the
7 following new chapter:

8 **“CHAPTER 263—HIGH-SPEED RAIL**
9 **INITIATIVES**

“Sec.

“26301. Department of Transportation approval for qualified high-speed rail
projects.

“26302. Qualified projects.

“26303. State contribution requirements.”.

10 **“§ 26301. Department of Transportation approval for**
11 **qualified high-speed rail projects**

12 “(a) IN GENERAL.—The written approval of a quali-
13 fied project by the Secretary of Transportation required
14 for purposes of subsection (e)(5) of section 54 of the Inter-
15 nal Revenue Code of 1986 (relating to credit to holders
16 of qualified Amtrak bonds) shall include—

17 “(1) the finding by the Inspector General of the
18 Department of Transportation described in sub-
19 section (b);

20 “(2) the certification by the Secretary of Trans-
21 portation described in subsection (c); and

1 “(3) the agreement by the National Railroad
2 Passenger Corporation described in subsection (d).

3 “(b) FINDING BY INSPECTOR GENERAL.—For pur-
4 poses of subsection (a), the finding described in this sub-
5 section is a finding by the Inspector General of the De-
6 partment of Transportation that there is a reasonable like-
7 lihood that the proposed project will result in a positive
8 financial contribution to the National Railroad Passenger
9 Corporation and that the investment evaluation process
10 includes consideration of a return on investment,
11 leveraging of funds (including State capital and operating
12 contributions), cost effectiveness, safety improvement, mo-
13 bility improvement, and feasibility.

14 “(c) CERTIFICATION.—For purposes of subsection
15 (a), the certification described in this subsection is a cer-
16 tification by the Secretary of Transportation that the
17 issuer of the qualified Amtrak bond—

18 “(1) except with respect to projects described in
19 section 54(j)(1)(C) of the Internal Revenue Code of
20 1986, has entered into a written agreement with the
21 owners of rail properties which are to be improved
22 by the project to be funded by the qualified Amtrak
23 bond, as to the scope and estimated cost of such
24 project and the impact on rail freight capacity; and

1 “(2) has met the State contribution require-
2 ments described in section 26303.

3 The National Railroad Passenger Corporation shall not
4 exercise its rights under section 24308(a)(2) to resolve
5 disputes with respect to a project to be funded by a quali-
6 fied Amtrak bond, or with respect to the cost of such a
7 project, unless the project is intended to result in railroad
8 speeds of 79 miles per hour or less.

9 “(d) AGREEMENT BY AMTRAK TO ISSUE ADDI-
10 TIONAL BONDS FOR PROJECTS OF OTHER CARRIERS.—

11 “(1) IN GENERAL.—For purposes of subsection
12 (a), the agreement described in this subsection is an
13 agreement by the National Railroad Passenger Cor-
14 poration with the Secretary of Transportation to
15 issue bonds which meet the requirements of section
16 54 of the Internal Revenue Code of 1986 for use in
17 financing projects described in paragraph (2).

18 “(2) PROJECTS COVERED.—For purposes of
19 paragraph (1), the projects described in this para-
20 graph are any project described in subsection
21 (j)(1)(B) or (j)(1)(C) of section 54 of the Internal
22 Revenue Code of 1986 for an intercity rail passenger
23 carrier other than the National Railroad Passenger
24 Corporation or for the Alaska Railroad.

1 “(3) ADDITIONAL REQUIREMENTS.—Any
2 project financed by bonds referred to in paragraph
3 (1) shall be carried out by the intercity rail pas-
4 senger carrier other than the National Railroad Pas-
5 senger Corporation, through a contract entered into
6 by the National Railroad Passenger Corporation
7 with such carrier. Such other intercity rail passenger
8 carrier, in carrying out the project, shall be subject
9 to the provisions of this subtitle governing the Na-
10 tional Railroad Passenger Corporation.

11 “(4) DEFINITION.—For purposes of this sub-
12 section, the term ‘intercity rail passenger carrier’
13 means any rail carrier (as such term is defined in
14 section 24102(7)) that is part of the interstate sys-
15 tem of rail transportation and that provides intercity
16 rail passenger transportation (as such term is de-
17 fined in section 24102(5)).

18 “(e) ADDITIONAL SELECTION CRITERIA.—In deter-
19 mining projects to be approved under this section (other
20 than projects for the Alaska Railroad), or to be included
21 in an agreement under subsection (d), the Secretary of
22 Transportation shall give preference to—

23 “(1) any project with a State matching con-
24 tribution rate exceeding 20 percent;

1 “(2) projects expected to have a significant im-
2 pact on air traffic congestion;

3 “(3) projects expected to also improve com-
4 muter rail operations;

5 “(4) projects that anticipate fares designed to
6 recover costs and generate a return on investment;
7 and

8 “(5) projects that promote regional balance in
9 infrastructure investment and the national interest
10 in ensuring the development of a nationwide high-
11 speed rail transportation network.

12 **“§ 26302. Qualified projects**

13 “For purposes of this chapter—

14 “(1) IN GENERAL.—The term ‘qualified project’
15 means—

16 “(A) the acquisition, financing, or refi-
17 nancing of equipment, rolling stock, and other
18 capital improvements (including the introduc-
19 tion of new high-speed technologies such as
20 magnetic levitation systems), including track or
21 signal improvements or the elimination of grade
22 crossings, for the northeast rail corridor be-
23 tween Washington, D.C., and Boston, Massa-
24 chusetts;

1 “(B) the acquisition, financing, or refi-
2 nancing of equipment, rolling stock, and other
3 capital improvements (including the introduc-
4 tion of new high-speed technologies such as
5 magnetic levitation systems), including develop-
6 ment of intermodal facilities, track or signal im-
7 provements, or the elimination of grade cross-
8 ings, for the improvement of train speeds or
9 safety (or both) on the high-speed rail corridors
10 designated under section 104(d)(2) of title 23,
11 United States Code, as in effect on the date of
12 the enactment of this section; and

13 “(C) the acquisition, financing, or refi-
14 nancing of equipment, rolling stock, and other
15 capital improvements, including station rehabili-
16 tation or construction, development of inter-
17 modal facilities, track or signal improvements,
18 or the elimination of grade crossings, for the
19 improvement of train speeds or safety (or both)
20 for other intercity passenger rail corridors and
21 for the Alaska Railroad.

22 “(2) REFINANCING RULES.—For purposes of
23 paragraph (1), a refinancing shall constitute a quali-
24 fied project only if the indebtedness being refinanced
25 (including any obligation directly or indirectly refi-

1 nanced by such indebtedness) was originally incurred
2 by the issuer—

3 “(A) after the date of the enactment of
4 this section;

5 “(B) for a term of not more than 3 years;

6 “(C) to finance or acquire capital improve-
7 ments described in paragraph (1); and

8 “(D) in anticipation of being refinanced
9 with proceeds of a qualified Amtrak bond.

10 **“§ 26303. State contribution requirements**

11 “(a) IN GENERAL.—For purposes of section
12 26301(c)(2), the State contribution requirement of this
13 section is met with respect to any qualified project if the
14 National Railroad Passenger Corporation has received
15 from 1 or more States, not later than the date of issuance
16 of the bond, matching contributions of not less than 20
17 percent of the cost of the qualified project.

18 “(b) NO STATE CONTRIBUTION REQUIREMENT FOR
19 CERTAIN QUALIFIED PROJECTS.—The State contribution
20 requirement of this section is zero with respect to the fol-
21 lowing projects:

22 “(1) Any qualified project for the acquisition
23 and installation of platform facilities, performance of
24 railroad force account work necessary to complete
25 improvements below street grade, and any other nec-

1 essary improvements related to construction at the
2 railroad station at the James A. Farley Post Office
3 Building in New York City, New York.

4 “(2) Any project described in subsection
5 (j)(1)(C) of section 54 of the Internal Revenue Code
6 of 1986 for the Alaska Railroad.

7 “(c) STATE MATCHING CONTRIBUTIONS MAY NOT
8 INCLUDE FEDERAL FUNDS.—For purposes of this sec-
9 tion, State matching contributions shall not be derived, di-
10 rectly or indirectly, from Federal funds, including any
11 transfers from the Highway Trust Fund under section
12 9503 of the Internal Revenue Code of 1986.”.

13 (b) TABLE OF CHAPTERS AMENDMENT.—The table
14 of chapters of subtitle V of title 49, United States Code,
15 is amended by inserting after the item relating to chapter
16 261 the following new item:

 “263. HIGH-SPEED RAIL INITIATIVES 26301”.

17 **SEC. 202. MULTIYEAR CAPITAL SPENDING PLAN AND OVER-**
18 **SIGHT.**

19 (a) AMENDMENT.—Chapter 243 of title 49, United
20 States Code, is amended by adding at the end the fol-
21 lowing new section:

22 **“§ 24316. Multiyear capital spending plan and over-**
23 **sight**

24 “(a) AMTRAK CAPITAL SPENDING PLAN.—

1 “(1) IN GENERAL.—The National Railroad
2 Passenger Corporation shall annually submit to the
3 President and Congress a multiyear capital spending
4 plan, as approved by the Board of Directors of the
5 Corporation.

6 “(2) CONTENTS OF PLAN.—Such plan shall
7 identify the capital investment needs of the Corpora-
8 tion over a period of not less than 5 years and the
9 funding sources available to finance such needs and
10 shall prioritize such needs according to corporate
11 goals and strategies.

12 “(3) INITIAL SUBMISSION DATE.—The first
13 plan shall be submitted before the issuance of any
14 qualified Amtrak bonds by the National Railroad
15 Passenger Corporation pursuant to section 54 of the
16 Internal Revenue Code of 1986.

17 “(b) OVERSIGHT OF QUALIFIED PROJECTS.—The
18 Secretary of Transportation shall contract for an annual
19 independent assessment of the costs and benefits of the
20 qualified projects financed by qualified Amtrak bonds pur-
21 suant to section 54 of the Internal Revenue Code of 1986,
22 including an assessment of the investment evaluation proc-
23 ess of the Corporation. The annual assessment shall be
24 included in the plan submitted under subsection (a).”.

1 (b) TABLE OF SECTIONS AMENDMENT.—The table of
2 sections of chapter 243 of title 49, United States Code,
3 is amended by adding after the item relating to section
4 24315 the following new item:

“24316. Multiyear capital spending plan and oversight.”.

5 **SEC. 203. ISSUANCE OF REGULATIONS.**

6 The Secretary of Transportation shall issue regula-
7 tions for carrying out chapter 263 of title 49, United
8 States Code (as added by section 201 of this Act), not
9 later than 90 days after the date of the enactment of this
10 Act.

11 **SEC. 204. SENSE OF CONGRESS REGARDING EFFECT ON**
12 **AMTRAK FUNDING.**

13 It is the sense of the Congress that the proceeds of
14 qualified Amtrak bonds issued under section 54 of the In-
15 ternal Revenue Code of 1986 are intended to finance the
16 construction of qualified projects (as defined in section
17 26302 of title 49, United States Code, as added by section
18 201 of this Act) and are not intended to meet the regular,
19 ongoing capital funding needs of the National Railroad
20 Passenger Corporation.

21 **SEC. 205. EFFECTIVE DATE.**

22 The amendments made by this title shall apply to ob-
23 ligations issued after the date of the enactment of this
24 Act.